

# LINCOLN COMMISSION ON HUMAN RIGHTS

In accordance with Chapter 11.06.010 of the Lincoln Municipal Code, it is the policy of the City of Lincoln that there shall be no discrimination in the acquisition, ownership, possession or enjoyment of housing through the City of Lincoln based on: race, color, sex, religion, national origin, disability, familial status, ancestry, or marital status.

LCHR is the primary City agency that has the responsibility for the remedy of discrimination complaints brought by individuals.

Lincoln Commission on Human Rights  
440 South 8th Street, Suite 101  
Lincoln, NE 68508  
(402) 441-7624  
(402) 441-8398 (TDD)  
(402) 441-6937 (fax)

## FILING A COMPLAINT

If you believe you have been discriminated against in securing housing, you may be able to file a complaint with LCHR, if certain requirements are met:

1. All complaints must have occurred within one year.
2. The entity you wish to file your complaint against must be located within the City limits.
3. Your complaint must state a valid case of discrimination.

LCHR does not process complaints against City, State or Federal agencies. To find out if LCHR can accept a complaint, call (402) 441-7624 or (402) 441-8398 (TDD).



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Phone: 402-441-7624  
Fax: 402-441-6937  
TDD: 402-441-8398  
Email: [smoody@ci.lincoln.ne.us](mailto:smoody@ci.lincoln.ne.us)

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## PREDATORY LENDING

*Let us pull together before  
we're torn apart.....*



**Tel: 402-441-7624**



# PREDATORY LENDING PRACTICES

Most mortgage lenders and brokers have their customers' best interests in mind but there are some who may try to take advantage of consumers by using "abusive" or "predatory" lending practices. This usually involves practices that strip equity away from a homeowner. Predatory or abusive lending practices can include:

## Asset-Based Lending

Loans made in reliance on the value of the borrower's home, without a proper evaluation of the borrower's ability to repay without resort to foreclosure on the collateral, with the possible or even intended result of foreclosure or the need to refinance under duress.

## Price Gouging

Pricing terms that far exceed the lender's true risks, costs and reasonable return on the loan.

## Packing

"Packing" into the loan unearned, or otherwise unwarranted, fees or services, which can include prepaid single premium credit life insurance when the consumer does not receive a net tangible benefit.

## Targeting

Targeting persons who are less financially sophisticated or otherwise vulnerable, or believed to be vulnerable, to abusive practices, or who have less access to mainstream lenders, such as minorities, persons living in low or moderate-income areas.

## Failure to Disclose True Terms

Inadequate disclosure of the true costs and risks of the transaction that misleads the borrower into believing that it is more favorable to the borrower than it is.

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## The Hard Sell

Aggressive marketing tactics that amount to deceptive or coercive conduct. Unfair and Deceptive Trade Practices. Practices that are fraudulent, coercive, unfair or deceptive, or otherwise illegal.



A loan product or lending practice that may not seem predatory until you compare it to similar loan products offered by other lenders. The situation you are in may not seem abusive until you get to the closing table. If any fees or charges differ from what was previously disclosed, delay the closing until you understand all the terms of the loan.

## Avoiding borrowing pitfalls:

**Shop around.** Talk to several lenders to find the best loan for which you qualify. Understand the best loan terms available in the marketplace and compare the APR (annual percentage rate) of loans from different lenders. The APR takes into account both the interest rate and the points and fees of the loan.

**Understand the loan terms.** Compare loan terms from different lenders. If you're confused, ask a nonprofit housing counselor or a lawyer to review the information with you.

**Find out about Prepayment Penalties.** Know if the loan you are offered has a prepayment penalty. Prepayment penalty should be a choice, not a requirement.

**Say NO to "easy money."** Beware if someone tells you "your credit problems won't affect your interest rate."

**Make sure documents are correct.** Be cautious of someone who offers to falsify income information so you can qualify for a loan. Do not falsify information or sign documents that you know to be false.

**Make sure documents are complete.** Don't sign documents that have incorrect dates or blank fields. Be wary of promises that a lender will "fix it later" or "fill it in later."

**Ask about additional fees.** Question any items you didn't ask for. Beware if you are told that single premium credit insurance is required to get a loan, or that purchasing it will help with loan approval. Review every fee and compare different lenders' fees to ensure the most competitive loan terms.

**Work with credit counselors.** Get all the facts before you decide to combine your credit card or other debts into a home loan. Talk to a consumer credit counseling agency or nonprofit housing counselor before signing the loan documents.

**Protect your home equity.** If you are taking equity out of your property, take out the minimum amount that you need. The equity in your home is a source of wealth, which builds up slowly over time.

**If you're not sure, don't sign.** Talk to a consumer credit counseling agency or a nonprofit housing counselor.



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